

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: November 9, 2017

Item Number: 002

Austin Water

Authorize negotiation and execution of an amendment to the cost reimbursement agreement with OSF West Fifth, LP to increase the amount of the City's cost reimbursement by \$44,981 for a total amount not to exceed \$112,256.

District(s) Affected: District 9

Lead Department	Austin Water
Fiscal Note	Funding is available in the Fiscal Year 2017-2018 Capital Budget of Austin Water.
Prior Council Action	December 1, 2016- Council approved an agreement with OSF West Fifth, LP for the City to reimburse the developer for costs associated with the design and construction of an oversized water main and appurtenances.
For More Information	Bart Jennings, 512-972-0118; Denise Avery, 512-972-0104
Council Committee, Boards and Commission Action	October 11, 2017- Recommended by the Water and Wastewater Commission on a 9-0 vote with Commissioners Michel and Moriarty absent.

Additional Backup Information:

The “West 5th Street Self-Storage” project consists of approximately 1.06 acres of land located at 1411 W 5th Street (the “Property”). The Property is located entirely within the City of Austin’s (the “City”) Full-Purpose Jurisdiction, Impact Fee Boundary, Austin Water’s service area, the Desired Development Zone, and the Lady Bird Lake Watershed. A map of the property location is attached.

OSF West Fifth, LP (the “Owner”) is proposing to develop approximately 191,744 sq. ft. self-storage facility and 3,078 sq. ft. retail space. Service Extension Request Number 3836R (SER-3836R) was submitted and approved to provide City water utility service to the Property. As authorized by City Council on December 1, 2016, the City and the Owner executed a Cost Reimbursement Agreement (the “Agreement”) on May 10, 2017 for \$67,275 of hard costs and soft costs for the existing 6-inch water main to be replaced by an oversized 16-inch water main and appurtenances as proposed in SER-3836R.

Under the Agreement, the Owner will construct approximately 300 feet of 16-inch water main in the left lane of West 5th Street between Paul Street and Pressler Street and convey the water improvements to the City for the City’s ownership, operation, and maintenance. These water improvements were oversized and required by the City in order to serve additional properties within the Central North water pressure zone consistent with the City’s long-range planning goals for this area. Under the provisions of the executed Cost Reimbursement Agreement, the City agreed to reimburse the actual hard construction costs of the water main, including City-approved change orders associated with the approved plans, and 15% of the hard costs for soft costs.

Construction bids for the oversized water improvements were received by the City on August 10, 2017 and the City’s proportional share of the certified low bid is in excess of the Council approved reimbursement amount. The bids received exceeded the original cost estimate primarily due to an increase in material and construction costs and scope changes between the preliminary and final design phases. The original cost estimate was prepared at a preliminary phase of the Project based on the conceptual water service plan identified in SER-3836R. During the design phase, the project scope was refined as design and construction details were further explored (e.g. utility conflicts, traffic control measures, pavement repair limits, geographic considerations, site constraints, etc.).

Under the proposed amendment to the Agreement, the City will reimburse an overall total amount not to exceed \$112,256 for the actual hard costs and soft costs associated with the construction of the oversized water main. This amount is a \$44,981 increase from the City Council’s previously approved reimbursement amount.

The proposed project will be managed through Austin Water and is located in zip code 78703, in City Council District 9.